

**MINUTES**  
**KCTCS Board of Regents**  
**Finance, Technology, and Human Resources Committee**  
**June 14, 2018**

**Committee Members Present:**

Ms. Lisa V. Desmarais, Committee Chair  
Mr. Barry K. Martin, Committee Vice-Chair  
Dr. Gail R. Henson  
Ms. Mary R. Kinney

Mr. Gavin B. Posey  
Mr. Mark A. Wells

**Committee Members Absent:**

Mr. Donald R. Tarter

**CALL TO ORDER**

Committee Chair Lisa V. Desmarais called to order the meeting of the Kentucky Community and Technical College System Board of Regents Finance, Technology, and Human Resources Committee at 2:07 p.m. (ET) on June 14, 2018. The meeting was held in in the Convening Center, Room B123 of the Center for Advanced Manufacturing Center at the Boone Campus of Gateway Community and Technical College in Florence, Kentucky. The press was notified of the meeting on June 6, 2018. Hon. Michael Murray, KCTCS General Counsel, served as parliamentarian.

There being a quorum present, the meeting began with the approval of minutes.

**APPROVAL OF MINUTES**

Chair Desmarais asked if there were any corrections to the November 30, 2017, minutes presented in the meeting materials. There being none, the minutes were declared approved as presented.

**ADDITIONS OR CHANGES TO THE AGENDA**

There were no additions or changes to the agenda.

**ACTION:  
RATIFICATION OF  
PERSONNEL  
ACTIONS**

**RECOMMENDATION:** That the KCTCS Board of Regents ratify the personnel actions listed in the agenda materials.

Chair Desmarais called on KCTCS President Jay K. Box to present the item. KCTCS Vice President Wendell Followell assisted with the presentation. It was noted that the personnel actions presented were in accordance with reporting guidelines and policies adopted by the KCTCS Board of Regents.

Chair Desmarais called for discussion. There being none, she called for a motion.

**DRAFT**

MOTION: Ms. Roth moved and Dr. Henson seconded that the Finance, Technology, and Human Resources Committee recommend that the KCTCS Board of Regents ratify the personnel actions listed in the agenda materials.

VOTE: The motion was approved unanimously.

Chair Desmarais moved to the next agenda item.

**ACTION: 2018-19  
KCTCS TUITION**

RECOMMENDATION: That the KCTCS Board of Regents approve and report to the Council on Postsecondary Education (CPE) a \$7 per student credit hour tuition increase in 2018-19 for in-state students. This action combined with the CPE parameter for tuition rates for out-of-state students results in the following 2018-19 per credit hour tuition rates for KCTCS colleges:

In-State Students	\$169
Out-of-State Students From Contiguous Counties	\$338
Other Out-of-State Students	\$592

Chair Desmarais called on KCTCS President Jay K. Box to present the item. KCTCS Vice President Wendell Followell assisted with the presentation.

KRS 164.020 gives the Council on Postsecondary Education (CPE) the authority to determine tuition rates for Kentucky's state-supported universities and KCTCS. At its April 27, 2018, meeting, CPE established a \$12 or 7.5 percent tuition rate increases ceiling for 2018-20 with a maximum rate increase of \$8 per SCH or 5 percent each year. This parameter provides that KCTCS may increase its in-state tuition rate up to \$170 per SCH for 2018-19. CPE also established the parameter for out-o-f-state tuition rates requiring that these shall be at least two times the in-state tuition rate.

The recommended 2017-18 in-state and out-of-state tuition rates are consistent with the CPE parameters for KCTCS tuition and consistent with the out-of-state rate structure that KCTCS has used for the past several years.

The recommended 2018-19 in-state tuition rate is consistent with the CPE parameter for KCTCS in-state tuition.

The recommended 2018-19 out-of-state tuition rates are consistent with the CPE parameter for KCTCS out-of-state tuition and continue the out-of-state rate structure that KCTCS has used for the past several years.

The additional tuition revenue for 2018-19 generated by the tuition rate increase will be available to the KCTCS Board of Regents in developing the 2018-19 KCTCS operating budget as presented in Agenda Item I-5, "Action: 2018-19 KCTCS Annual Budget."

President Box noted that if the tuition increase were approved for \$7 this year, it would be limited to \$5 next year because of the two-year limit set by CPE of \$12.

Chair Desmarais called for discussion. There being none, she called for a motion.

MOTION: Mr. Martin moved and Dr. Henson seconded that the Finance, Technology, and Human Resources Committee recommend that the KCTCS Board of Regents approve and report to the Council on Postsecondary Education (CPE) a \$7 per student credit hour tuition increase in 2018-19 for in-state students. This action combined with the CPE parameter for tuition rates for out-of-state students results in the following 2018-19 per credit hour tuition rates for KCTCS colleges:

In-State Students	\$169
Out-of-State Students From Contiguous Counties	\$338
Other Out-of-State Students	\$592

VOTE: The motion was approved unanimously.

Chair Desmarais moved to the next agenda item.

**INFORMATION: 15 TO  
FINISH  
SCHOLARSHIP**

Chair Desmarais called on KCTCS President Jay K. Box to present the item. KCTCS Vice President Wendell Followell assisted with the presentation.

President Box noted that in response to a request from the Kentucky Chamber of Commerce and as part of KCTCS's ongoing commitment to find new ways to incentivize students to complete their degree in two years or less, we are starting a new initiative called, "15 to Finish Scholarship."

This initiative will provide \$500 per semester for fall and spring only, summer excluded, for any paying student that completes 15 credit hours in a semester and enrolls in 15 credit hours for the following spring or fall semester. The student must have completed 15 hours with an A, B, C, D or P and re-enroll for a minimum of 15 hours.

This initiative also aligns with CPE's 2016-21 Strategic Agenda goal to raise the percentage of Kentuckians with a degree or certificate to 60 percent by the year 2030.

## DRAFT

“15 to Finish” is a campaign by Complete College America, an organization whose mission is to increase the number of Americans with career certificates and college degrees. The 15 to Finish Scholarship will cost approximately \$1.5 million annually.

President Box noted that students receiving a Kentucky Revised Statute (KRS) tuition waiver or high school dual credit/SEEK waiver are ineligible for the scholarship.

Chair Desmarais called for discussion.

During discussion, it was noted that private donations would be sought for this scholarship. It was also noted that KCTCS might be the first in the nation to implement this model.

Chair Desmarais moved to the next agenda item.

### **ACTION: 2018-19 KCTCS SALARY SCHEDULE**

RECOMMENDATION: That the KCTCS Board of Regents approve the 2018-19 KCTCS Salary Schedule which includes salary ranges for regular full-time faculty and staff. Funding for the salary schedule must be approved by the KCTCS Board of Regents within the KCTCS annual budget.

Chair Desmarais called on President Box to present the item. Vice President Followell assisted with the presentation.

President Box noted the proposed 2018-19 KCTCS Salary Schedule has been designed in consideration of market conditions, best practices, and available resources. The KCTCS Board of Regents last revised the KCTCS Salary Schedule on June 9, 2017. The Salary Schedule, Attachment A, Agenda Item I-4, reflects monthly salaries to accommodate the period of assignment in months for regular full-time faculty and staff. Faculty assignments range from 10 to 12 months. Staff assignments range from 9 to 12 months. President Box also noted that regular, full-time positions are slotted into the salary bands of the schedule with consideration of the benchmark comparisons, internal equity, and academic rank.

It was shared that the 2018-19 salary schedule is the same as the 2017-18 salary schedule.

Chair Desmarais called for discussion. There being none, she called for a motion.

MOTION: Mr. Posey moved and Mr. Wells seconded that the Finance, Technology, and Human Resources Committee recommend that the KCTCS Board of Regents approve the 2018-19 KCTCS Salary Schedule which includes salary ranges for regular full-time faculty and staff. Funding for the salary

schedule must be approved by the KCTCS Board of Regents within the KCTCS annual budget.

VOTE: The motion was approved unanimously.

Chair Desmarais moved to the next agenda item.

**ACTION: 2018-19  
KCTCS ANNUAL  
BUDGET**

RECOMMENDATION: That the KCTCS Board of Regents adopt the 2018-19 budget resolution (Attachment B, Agenda Item I-5) regarding the 2018-19 Annual Budget for the Kentucky Community and Technical College System. This budget and its provisions will be effective July 1, 2018, through June 30, 2019.

Chair Desmarais called on President Box to present the item. Vice President Followell assisted with the presentation.

President Box noted that the annual budget directs the use of financial resources available to KCTCS to help achieve the mission and vision of KCTCS. This budget places the highest priority on students and the effective and efficient use of available resources.

The 2018-19 KCTCS budget funds fixed cost increases in current employee benefits programs and funds the cost of faculty promotions. It funds fixed cost increases in utilities and facility insurance and, the systemwide operations and support programs, the Fire Commission, and the Kentucky Board of Emergency Medical Services. The KCTCS President's Leadership Team supports the recommended budget.

The proposed resolution (Attachment B, Agenda Item I-5) provides for adequate fiscal control and oversight by the KCTCS Board of Regents consistent with common practice within postsecondary education institutions. At the same time, the resolution provides a reasonable amount of discretion to the KCTCS President and establishes limits and thresholds that the President cannot exceed without the expressed consent of the Board.

The proposed budget and its provisions will be effective for the fiscal year beginning July 1, 2018, and ending June 30, 2019.

Chair Desmarais called for discussion. There being none, she called for a motion.

MOTION: Ms. Kinney moved and Mr. Martin seconded that the Finance, Technology, and Human Resources Committee recommend that the KCTCS Board of Regents adopt the 2018-19 budget resolution (Attachment B, Agenda Item I-5) regarding the 2018-19 Annual Budget for the Kentucky Community and Technical College System. This budget and its provisions will be effective July 1, 2018, through June 30, 2019.

## DRAFT

VOTE: The motion was approved unanimously.

Chair Desmarais moved to the next agenda item.

### **UPDATE: ADMINISTRATIVE SERVICES REPORT**

Chair Desmarais called on President Box to present the item. Vice President Followell assisted with the presentation.

President Box noted that in the past there were several different update reports given at each Finance Committee meetings. After some discussion, the format was changed so that one update inclusive of all areas for Administrative Services is given.

It was reported that the Statement of Revenues and Expenditures reflects the actual program and operational expenditures compared to the fiscal year 2017-18 budget approved by the KCTCS Board of Regents on June 9, 2017.

Total revenues of \$516,674 million reflect 61 percent of the budgeted revenue and appropriated funds. Current fund expenditures and budget reserve through the fiscal year (FY) total \$378,039 million, 44 percent of the expenditures budgeted for the year.

The Statement of Net Position, although not specifically required in the Board's *2018-19 Annual Budget Adoption Resolution*, has also been included in the Quarterly Financial Report to give the Board a periodic snapshot of the KCTCS financial position using the most common accounting-based schedule.

President Box shared information from the *Facilities Management and Sustainability Report*. Highlights include information about the Work Ready Skills Initiative projects; Ten completed BuildSmart projects with four more to be completed in FY 2019; four property dispositions and one acquisition; the finalization of all college Emergency Operation Plans; and, the System Office earning an Energy Star rating in April 2018 for its energy efficiency initiatives.

Vice President Followell shared information regarding the BuildSmart financing issuance. KCTCS is in the process of securing the final financing for the initiative. KCTCS staff have worked with the Finance and Administration Cabinet's Office of Financial Management to secure very favorable financing terms. For the remaining segment of the BuildSmart initiative, \$27,775,000 is required, and is expected to close at an approximate interest rate of slightly less than three percent. KCTCS staff working with the Office of Financial Management, plan to pay down approximately \$13.6 million of the amount financed at the earliest possible date. No penalties or early termination fees will apply. Steven Starkweather and Lisa Williams from the Finance and Administration Cabinet's Office of Financial Management were present to answer questions.

Chair Desmarais called for discussion. There being none, she moved to the next agenda item.

**UPDATE:  
RESOURCE  
DEVELOPMENT  
REPORT**

Chair Desmarais called on President Box to present the item. Vice President Larry Ferguson assisted with the presentation.

Vice President Ferguson distributed a copy of the *Resource Development Report* to the committee.

President Box shared that the report provides an update on the private giving and sponsored projects, grants, and contracts. Private gift income by donor purpose and source for the System and the donor source by college for each KCTCS college are presented in this report.

Sponsored Projects, Grants, and Contract funds are stated by source and purpose for the System Office in total; total awards to each KCTCS college are included in the report. The top grants and contracts received during the reporting period are highlighted. This report covers gifts from July 1, 2017 – April 30, 2018.

President Box noted that the total private gift income for this period was \$7,602,303.98. The top private gift was \$1,000,000 to Elizabethtown Community and Technical College. Total grants and contracts for this period was \$56,100,796.29 and the top grant award was \$1,500,000 to Hazard Community and Technical College.

Chair Desmarais called for discussion.

Chair Desmarais called for additional discussion. There being none, she moved to announcing the next meeting.

**NEXT MEETING**

The next regularly scheduled Finance, Technology, and Human Resources Committee meeting is for September 13, 2018, at Elizabethtown Community and Technical College, Elizabethtown, Kentucky.

**ADJOURNMENT**

Ms. Roth moved and Mr. Posey seconded that the Finance, Technology, and Human Resources Committee adjourn.

VOTE: The motion was approved unanimously. The Finance, Technology, and Human Resources Committee meeting adjourned at 3:20 p.m. (ET).

09/13/18

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Date Approved by the  
Finance, Technology, and Human  
Resources Committee

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Lisa V. Desmarais  
Committee Chair

